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Regional cooperation

Regional cooperation in the economic, social and related fields

Report of the Secretary-General

Addendum

Matters calling for action by the Economic and Social Council or brought to its attention

Summary

The present addendum to the report of the Secretary-General on regional cooperation in the economic, social and related fields contains resolutions and decisions adopted at the sessions of the regional commissions in the first half of 2004, when four of the five regional commissions held their regular sessions: the Economic Commission for Europe held its fifty-ninth session in Geneva from 24 to 26 February; the Economic Commission for Asia and the Pacific held its sixtieth session in Shanghai from 22 to 28 April 2004; the Economic Commission for Latin America and the Caribbean held its thirtieth session in Puerto Rico from 28 June to 2 July 2004; and the Economic Commission for Africa held the thirty-seventh session of the Conference of African Ministers of Finance, Planning and Economic Development in Kampala on 21 and 22 May 2004. Given that the Economic Commission for Latin America and the Caribbean is holding its thirtieth session in late June and early July, any resolutions and decisions emanating from that session and requiring action by the Council or brought to its attention will be included in addendum 2 (E/2004/15/Add.2).

* E/2004/100 and Corr.1 and 2.

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I. Matters calling for action by the Council

A. Economic Commission for Europe

1. At its fifty-ninth session, the Economic Commission for Europe (ECE) endorsed the following decision adopted by the ECE Committee on Sustainable Energy at its thirteenth session, which it proposed for approval by the Council:

Draft decision
United Nations Framework Classification for Fossil Energy and Mineral Resources

The Economic and Social Council,

Recalling its decision 1997/226 of 18 July 1997, welcomes the endorsement by the Economic Commission for Europe of the United Nations Framework Classification for Fossil Energy and Mineral Resources and decides to invite the Member States of the United Nations, international organizations and regional commissions to consider taking appropriate measures for ensuring worldwide application of the Framework Classification. The Council notes that this new classification for fossil energy and mineral resources, which now includes energy commodities (for example, natural gas, oil and uranium), is an extension of the earlier framework developed for solid fuels and mineral commodities, on which the Council took similar action in 1997 upon endorsement and recommendation by the Economic Commission for Europe.

B. Economic and Social Commission for Asia and the Pacific

2. At its sixtieth session, the Economic and Social Commission for Asia and the Pacific (ESCAP) approved the following draft resolutions for adoption by the Council:

Draft resolution I

The Economic and Social Council,

Endorses the Shanghai Declaration adopted by the Economic and Social Commission for Asia and the Pacific at its sixtieth session, as set out in the annex.

Annex

Shanghai Declaration

I. General provisions

1. We, members and associate members of the Economic and Social Commission for Asia and the Pacific, on the occasion of the historic sixtieth session of the Commission, express our deep appreciation to the Government and citizens of the People's Republic of China for hosting the present session in Shanghai, the birthplace of the Commission, and to the government and citizens of Shanghai municipality.

2. We reiterate our commitment to multilateralism and to addressing global issues through dialogue, consultation and cooperation.

3. We reaffirm that the United Nations has a central role in promoting international cooperation for development and in promoting policy coherence on global development issues, including in the context of globalization and interdependence.

4. We support further reform of the United Nations with a view to promoting its important role in peace and development and in establishing a cohesive and effective system for responding to global threats and challenges, as well as enhancing the effectiveness of the United Nations through increased coordination and cooperation between the various agencies and their programmes within the United Nations system.

5. We note the diversity in the levels of development of countries and areas of the Asian and Pacific region and the special needs of the least developed economies, landlocked and island developing economies, and economies in transition.

6. We emphasize the Commission's unique role as the most representative body for the Asian and Pacific region and its mandate as the main general economic and social development centre within the United Nations system for the Asian and Pacific region.

7. We reaffirm our determination to strengthen further the role, capacity and efficiency of ESCAP to respond more effectively to the needs of its members and associate members and to existing and new global challenges.

8. We welcome the achievements of the region in economic and social development, including progress made in achieving the internationally agreed development goals, including those contained in the United Nations Millennium Declaration, adopted by the General Assembly in its resolution 55/2 of 8 September 2000, and the outcomes and final documents of major United Nations summits and international conferences.

9. We renew our commitment to enhancing subregional and regional cooperation and remain conscious of the need to further improve national capacities in order to promote sustainable development in the Asian and Pacific region.

10. In this context, we acknowledge the importance of the main theme of the Shanghai session, "Meeting the challenges in an era of globalization by strengthening regional development cooperation".

11. We reaffirm that South-South cooperation, South-North cooperation and triangular cooperation play important roles in promoting development and contribute to the achievement of the internationally agreed development goals, including those contained in the Millennium Declaration.

12. We note that globalization offers opportunities and challenges to the world, particularly for the developing countries, and that it is only through greater economic growth coupled with broad, sustained and collaborative efforts that globalization can be made fully inclusive and equitable so that the poor are not left behind. At the same time, the benefits of globalization can be realized only when environmental pressure from the impact of globalization is properly addressed through strengthened common strategies in the Asian and Pacific region.

13. We welcome the conclusion and holding of the signing ceremony of the Intergovernmental Agreement on the Asian Highway Network and the inaugural session of the Asia-Pacific Business Forum, and look forward to the first meeting of the Ministerial Council of the Asia-Pacific Trade Agreement as part of the efforts to strengthen the development of infrastructure and foster closer trade relations within the region. We reaffirm the importance of focusing ESCAP work on its three thematic areas: poverty reduction, managing globalization and addressing emerging social issues.

II. Poverty reduction

14. In the area of poverty reduction, we will strive:

(a) To maximize the contribution of economic growth in reducing poverty and hunger, by consolidating successes and facilitating the sharing of best practices, with a view to halving, by 2015, the proportion of people suffering from poverty and hunger, thus making the region a forerunner in the global campaign against poverty;

(b) To implement policies aimed at engendering confidence in the operation of markets to assist in the creation of a favourable business environment;

(c) To emphasize the importance of according priority to the fight against hunger and poverty and, in this context, put in place the necessary policy and institutional framework and implement programmes that are designed to overcome hunger and poverty;

(d) To encourage the efficient utilization of existing financial, physical and human resources and the involvement of all stakeholders, including Governments, international organizations, international and regional development and financial institutions, donors and civil society, to achieve the internationally agreed sustainable development goals, including those contained in the Millennium Declaration;

(e) To eliminate corruption at all levels, in that regard welcoming the adoption of the United Nations Convention against Corruption and inviting all member States to sign and ratify it as soon as possible in order to ensure its rapid entry into force.

III. Managing globalization

15. In the area of managing globalization, we will strive:

(a) To address the regional and interregional aspects of the follow-up to the Monterrey Consensus of the International Conference on Financing for Development;

(b) To revitalize the multilateral trading system, taking into account the importance of promoting the objectives set out in the Millennium Declaration of ensuring an open, equitable, rule-based, predictable and non-discriminatory multilateral trading system;

(c) To work towards a successful, timely and development-oriented conclusion of the Doha negotiations;

(d) To take action to enable those countries in the region that are not yet members of the World Trade Organization to accede to it in order to participate more effectively in the multilateral trading system;

(e) To strengthen national capacities to negotiate, conclude and implement multilateral and regional agreements designed to promote interregional and intraregional trade and investment flows;

(f) To implement, in a timely fashion, the various regional and subregional economic cooperation initiatives in promoting trade and investment, with a view to expanding economic interaction and promoting stable growth and prosperity for the entire region;

(g) To mobilize investment from domestic and foreign resources by strengthening and developing domestic financial systems and creating an enabling environment;

(h) To advance current efforts to reform the international financial architecture as envisaged in the Monterrey Consensus and promote the effective participation of developing countries and countries with economies in transition in those efforts;

(i) To take action at the regional level to ensure the effective implementation of and follow-up to the outcomes of the World Summit on Sustainable Development, including the Johannesburg Plan of Implementation, in which some of the salient features of the Phnom Penh Regional Platform on Sustainable Development for Asia and the Pacific were reflected, to move the region towards a more sustainable path to development, with the developed countries taking the lead and with all countries benefiting from the process, taking into account the principles of common but differentiated responsibilities, while taking note of the recent follow-up activities, including the Kyoto Ministerial Declaration and the Jeju Initiative;

(j) To make the next ten years a decade of economic growth and sustainable development in the region, striving to meet the various internationally agreed goals;

(k) To undertake regular studies and analyses of regional environmental trends, strengthen national capacities for protecting the environment consistent with national commitments and support regional and subregional environmental cooperation;

(l) To assist in capacity-building, formulation and implementation of strategies and action plans for the sustainable use of water resources with a special focus on problems of water quality and access to safe drinking water for the poor;

(m) To promote capacity-building in sustainable energy development, enhanced utilization of renewable energy and energy efficiency improvement and to support subregional cooperation in energy sector development;

(n) To develop an integrated intermodal transport network in Asia and the Pacific as well as Asia-Europe transport corridors;

(o) To implement the Plan of Action adopted at the first phase of the World Summit on the Information Society, held in Geneva in December 2003, and take action to achieve the objectives of the World Summit as enunciated in the Declaration of Principles and Plan of Action adopted at the first phase, and to prepare for the second phase in 2005, paying special attention to least developed

countries, landlocked developing countries, small island developing States and countries with economies in transition;

(p) To promote regional cooperation and effective integration of satellite-based information and communication technology applications with other information technologies for informed sustainable economic and social development planning and management and improved quality of life;

(q) To promote the development of transport and tourism in the region so as to provide opportunities for increased national, regional and international trade and better access to health and education services, and to promote cultural exchanges.

IV. Emerging social issues

16. In the area of emerging social issues, we will strive:

(a) To promote social policy development and the mainstreaming of social dimensions in national development programmes;

(b) To improve the development and delivery of basic social services, such as education, health and nutrition, focusing on vulnerable population groups;

(c) To enhance cooperation in capacity-building in public health, inter alia through the exchange of information and the sharing of experience, as well as research and training programmes focusing on surveillance, prevention, control, response, care and treatment in respect of infectious diseases;

(d) To coordinate a more effective and comprehensive response to HIV/AIDS and other serious diseases in the region by prioritizing effective strategies against them in national development planning, committing sufficient resources, mobilizing the private sector and civil society, enhancing sustained and comprehensive intervention and strengthening regional cooperation in establishing preventive measures and increasing the availability of affordable quality drugs;

(e) To foster an integrated social safety net, and particularly to establish a social safety net which provides necessary assistance to the unemployed, the poor and senior citizens, as well as other vulnerable groups;

(f) To promote and support gender equality and eliminate discrimination against women;

(g) To promote human security in the region through greater regional cooperation, especially for vulnerable people;

(h) To support and encourage the active participation of all relevant stakeholders, including the business community, for the promotion of social development.

V. Overarching issues

17. On overarching issues, we will strive:

(a) To fully implement the Monterrey Consensus;

(b) To promote regional cooperation by inviting the United Nations regional commissions, in collaboration with other regional and subregional organizations and processes, as appropriate, to contribute, within their mandates, to the review of

progress made towards achieving the internationally agreed development goals contained in the Millennium Declaration, which synthesizes and prioritizes the key elements of major international conferences held in prior years, and to provide input to the discussions of the Economic and Social Council on the cross-sectoral thematic issues to be addressed during the coordination segment of its substantive session, in accordance with the rules of procedure of the Council;

(c) To intensify our efforts to implement effectively in the Asian and Pacific region the International Plan of Action for the United Nations Literacy Decade;

(d) To implement the Programme of Action for the Least Developed Countries for the Decade 2001-2010 and the Almaty Plan of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries;

(e) To promote initiatives for the least developed countries in the context of South-South cooperation by implementing projects that address the special needs of those countries;

(f) To support the Programme of Action for the Sustainable Development of Small Island Developing States and work towards a positive outcome at the review of the implementation of the Programme of Action in Mauritius;

(g) To strengthen and support the implementation of the United Nations Special Programme for the Economies of Central Asia;

(h) To encourage the establishment of a regional network of research institutions and universities in the Economic and Social Commission for Asia and the Pacific region by 2006 in order to promote education, technical skills development and technology transfer through the exchange of programmes, students and academics.

VI. Strengthening of ESCAP

18. We reaffirm the vital role of ESCAP in fostering sustainable economic and social development in Asia and the Pacific.

19. We request the Executive Secretary to design programmes, within the existing mandate and resources of ESCAP, that reflect the overall vision contained in this Declaration, to present the programme of work for endorsement by the Commission and to report on these matters to the Commission at future sessions.

20. We resolve, therefore, to support efforts by the Executive Secretary to mobilize and make effective use of additional financial and in-kind resources in support of ESCAP activities and for the further revitalization of ESCAP in line with the needs and priorities of its members and associate members.

21. We also request the Commission to review on a regular basis the progress made in implementing the provisions of the present Declaration.

Draft resolution II
Work of the Economic and Social Commission for Asia and the Pacific in implementing its technical cooperation projects

The Economic and Social Council,

Recalling its resolution 37 (IV) of 28 March 1947, by which the Council established the Economic and Social Commission for Asia and the Pacific, and in particular paragraphs 1 (d) and (e) of that resolution, regarding advisory services and technical assistance,

Also recalling General Assembly resolution 32/197 of 20 December 1977, through which the Economic and Social Commission for Asia and the Pacific was mandated to serve as the main general economic and social development centre within the United Nations system for the Asian and Pacific region and as an executing agency for intersectoral, subregional, regional and interregional projects,

Cognizant of the scope of the responsibilities of the Economic and Social Commission for Asia and the Pacific, the domain of which comprises the largest region in the world in geographical coverage and contains 62 per cent of the world's population, as well as the majority of the world's poor,

Aware of the focus of the work of the Commission on three key thematic areas, namely, poverty reduction, managing globalization and addressing emerging social issues,

1. *Recognizes* with appreciation that the Economic and Social Commission for Asia and the Pacific has been implementing a number of technical cooperation projects that strengthen the capacity of Economic and Social Commission for Asia and the Pacific members and associate members in the development and implementation of policies and programmes in economic and social fields;

2. *Expresses its appreciation* to those traditional donors which have made significant voluntary contributions to the technical cooperation activities of the Economic and Social Commission for Asia and the Pacific and invites non-traditional donors to increase their contributions;

3. *Welcomes* the efforts of the Executive Secretary to focus on high-priority, results-oriented and demand-based projects and requests him to implement such projects in an effective and efficient manner;

4. *Recognizes* the need for the technical cooperation activities of the Economic and Social Commission for Asia and the Pacific to be guided by the internationally agreed development goals contained in the United Nations Millennium Declaration, adopted by the General Assembly in its resolution 55/2 of 8 September 2000, and the outcomes of United Nations summits and conferences, including the Doha Development Agenda, the Johannesburg Plan of Implementation, the Monterrey Consensus, the Almaty Programme of Action and the Plan of Action of the World Summit on the Information Society;

5. *Also recognizes* that the Economic and Social Commission for Asia and the Pacific has comparative strengths and advantages in certain technical cooperation activities in the Asian and Pacific region and requests the Executive Secretary, in carrying out its technical cooperation activities, to continue to attach high priority to the following areas:

(a) Capacity-building for members and associate members to plan and implement effective policies and programmes in economic and social fields through training activities, such as organizing seminars, workshops and the exchange of experts;

(b) Provision of advisory services at the request of members or associate members to strengthen their capacity in responding effectively to the challenges of globalization in the region;

(c) Identification of existing good practices in the region and promotion of their introduction in places where feasibility studies yield positive results;

(d) Enhancement of awareness among members and associate members and facilitation of the dissemination of relevant information;

6. *Urges* the Executive Secretary to implement the projects in close cooperation with the participating Governments and relevant international organizations and bodies as well as in partnership with the private sector and relevant non-governmental organizations;

7. *Also urges* the Executive Secretary to pay particular attention to the special needs of socially vulnerable groups and to the gender dimension when implementing projects;

8. *Further urges* the Executive Secretary to pay particular attention to the special needs of least developed countries, landlocked and Pacific island developing countries, and economies in transition when implementing projects;

9. *Expresses its appreciation* to the Executive Secretary for actively monitoring and evaluating its projects and urges him to continue to do so in order to determine the effectiveness of those projects and to draw lessons therefrom for improved planning and implementation of future projects of the Economic and Social Commission for Asia and the Pacific;

10. *Requests* the Executive Secretary to include the following in his report to the Commission at its sixty-first session under the agenda item entitled "Technical cooperation activities of the Economic and Social Commission for Asia and the Pacific and announcement of intended contributions":

(a) His efforts to mobilize resources in areas such as broadening the donor base, cost-sharing, private sector funding and other innovative means in view of the trend towards declining voluntary contributions for technical cooperation activities;

(b) His strategy paper and action plan for technical cooperation activities for the year 2005 and thereafter, taking into account the priorities of the Economic and Social Commission for Asia and the Pacific and recognizing that the implementation of projects is subject to the availability of extrabudgetary resources;

(c) The results of the monitoring and evaluation of ongoing and recently completed projects for the purposes mentioned in paragraph 9 above.

Draft resolution III
Intergovernmental Agreement on the Asian Highway Network

The Economic and Social Council,

Recognizing the importance of international road transport to the development of the Economic and Social Commission for Asia and the Pacific region's economy, trade and tourism,

Recognizing also that an intergovernmental agreement on the Asian Highway network would play a catalytic role in the coordinated development of international highways in the region and between Asia and Europe,

Recalling the establishment of a working group to develop an intergovernmental agreement for the Asian Highway network, as recommended by the Ministerial Conference on Infrastructure, held in Seoul on 16 and 17 November 2001, and endorsed by the Economic and Social Commission for Asia and the Pacific at its fifty-eighth session,

Recalling also the decision of the Commission at its fifty-ninth session to convene an ad hoc intergovernmental meeting to consider and adopt the agreement in the second half of 2003 and its hope that the agreement could be concluded at the meeting in November 2003,

Welcoming the unanimous adoption of the Intergovernmental Agreement on the Asian Highway Network by the Intergovernmental Meeting to Develop an Intergovernmental Agreement on the Asian Highway Network, held in Bangkok on 17 and 18 November 2003,

Recalling the priority area of infrastructure development and maintenance identified in the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing Countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries, adopted at the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, held in Almaty, Kazakhstan, on 28 and 29 August 2003, and acknowledging that the Asian Highway network provides transit transport opportunities,

Expressing its appreciation to the Government of Japan for its valuable support for the development and formalization of the Asian Highway network and for the assistance which it provided in preparing for and convening the Intergovernmental Meeting,

Expressing its appreciation also to the Government of China for hosting the signing ceremony for the Agreement in Shanghai on 26 April 2004,

Convinced that the Agreement will strengthen relations between member countries, promote international trade and tourism through coordinated development of the Asian Highway network and have a substantial positive impact on the region by achieving internationally agreed development goals, including those contained in the United Nations Millennium Declaration, adopted by the General Assembly in its resolution 55/2 of 8 September 2000,

1. *Invites* all the relevant members of the Economic and Social Commission for Asia and the Pacific to become parties to the Intergovernmental Agreement on

the Asian Highway Network in order to ensure the speedy entry into force of the Agreement;

2. *Also invites* the international and regional financing institutions and multilateral and bilateral donors to provide financial and technical support for the development of the Asian Highway network and related infrastructure, particularly taking into account the special needs of landlocked developing countries;

3. *Further invites* subregional organizations to promote the Agreement and accord priority to the development of the Asian Highway network in their respective subregions;

4. *Encourages* landlocked developing countries and their transit neighbours that are members of the Economic and Social Commission for Asia and the Pacific to enter into bilateral or subregional transit traffic facilitation agreements which will enable the Asian Highway network to provide further tangible transit transport opportunities within the scope of the Almaty Programme of Action;

5. *Requests* the Executive Secretary:

(a) To assist member countries in becoming parties to the Agreement;

(b) To accord priority to the development of the Asian Highway network within the work programme of the Economic and Social Commission for Asia and the Pacific;

(c) To collaborate effectively with international and regional financing institutions, multilateral and bilateral donors and subregional organizations for the development of the Asian Highway network;

(d) To discharge effectively the functions of the secretariat of the Agreement;

(e) To report to the Commission at its sixty-first session on the implementation of the present resolution.

II. Matters brought to the attention of the Council

A. Economic Commission for Europe

3. At its fifty-ninth session, ECE adopted several decisions providing guidance on a number of issues including ECE reform and the technical cooperation strategy.

ECE reform

4. Given the enlargement of the European Union and the new geopolitical reality within the region, the Commission agreed that the role and place of ECE in the new European institutional architecture needed to be reviewed, in order to ensure its continued relevance and effectiveness in the new European context.

5. In line with these views and taking into account the recommendations of the Committee for Programme and Coordination (A/58/16), as well as the ongoing ECE reform exercise, the Commission decided to commission a comprehensive report on the state of ECE with the aim of developing recommendations to determine what changes to the role, mandate and functions of ECE are necessary. The report should be guided by the will of member States to avoid duplication and ensure cooperation,

complementarity and efficiency among intergovernmental organizations. The review exercise should also cover the mandate of the Group of Experts on the Programme of Work with a view to possibly strengthening its role. The Commission further decided that the report would be considered at its sixtieth session, in early 2005.

6. The Commission also endorsed several actions proposed by the secretariat, as well as the recommendations proposed by the Group of Experts on the Programme of Work, including the following:

With regard to intergovernmental structures,

(a) The annual session would discuss adjustment of the intergovernmental structure at the Commission level if any eligible body proposed it;

(b) The principal subsidiary bodies of ECE would review biennially their intergovernmental structure, including related advisory groups, and report to the Commission at its annual session.

Technical cooperation strategy

7. The Commission endorsed the technical cooperation strategy proposed by the secretariat. The strategy was seen as a response to the new challenges faced by the Commission in the area of technical cooperation that identified measures aimed at addressing these challenges, as well as supporting the priority-setting mechanism, improving the system of monitoring and evaluation, and strengthening coordination and fund-raising in support of technical cooperation activities. Member States expressed their appreciation of ECE work in this area, including the work of the regional advisers. The need to further strengthen technical assistance activities, particularly in South-East Europe, the South Caucasus and Central Asia, and to improve cooperation with other parts of the United Nations family such as the United Nations Development Programme and the United Nations Environment Programme was also underscored.

B. Economic Commission for Africa

8. At its thirty-seventh session, the Economic Commission for Africa/Conference of African Ministers of Finance, Planning and Economic Development issued a ministerial statement reaffirming the commitment of the member States of the Economic Commission for Africa (ECA) to achieving sustained economic growth and eradicating poverty, and to promoting sustainable development, while also seeking advancement towards an inclusive and equitable global economic system. The ministerial statement emphasized the importance of: (a) restarting the stalled Doha Development Round; (c) urgent action needed on the domestic front; (c) speeding up regional integration as a priority; (d) mainstreaming trade policies in national development strategies; (e) improved development effectiveness for achieving the Millennium Development Goals; and (f) enabling ECA to serve Africa better.

Ministerial statement

9. The main elements agreed upon in the ministerial statement are summarized below:

(a) The Ministers acknowledged the importance of trade as a source of finance and raising prosperity, but expressed concern that Africa had not reaped the gains of global integration to the extent of other developing regions. Africa's share in world merchandise exports had fallen from 6.3 per cent in 1980 to 2.5 per cent in 2000 and the continent's share in world manufactured exports had remained unchanged at 0.8 per cent for two decades.

(b) The Ministers underscored the importance of successfully concluding the Doha Development Round in order to better integrate Africa into the global trading system. In this context, they expressed disappointment at the failure of the Cancun Ministerial Meeting of the World Trade Organization (WTO), held in September 2003, to reach consensus on modalities for negotiations on rich countries' agricultural trade barriers and export subsidies that have effectively blocked Africa's successful integration into world markets. They welcomed, however, the recent resumption of negotiations in Geneva and encouraged the WTO members to fully restore the momentum to the negotiations by July 2004, through the adoption of meaningful frameworks in agriculture, non-agricultural market access and other relevant areas.

(c) The Ministers noted that, for Africa, the adoption of market-distorting subsidies by its Organization for Economic Cooperation and Development (OECD) partners was a core issue in multilateral trade negotiations. Further, market access remained constrained by high tariffs and tariff peaks on strategic agricultural products. They believed that the readiness of the international community to address those issues was a litmus test of their commitment to Africa's development. In particular, the resolution of issues relating to cotton in multilateral negotiations was critical. Likewise, the world trading system had not been conducive to Africa's efforts at diversifying its economies towards manufacturing exports. Industrial countries maintained tariff escalation and tariff peaks on manufactured imports from developing countries, with some peaks as high as 900 per cent. The Ministers recommended that their development partners should take action to correct this. Welcoming the positive contribution of the United States African Growth and Opportunity Act for promoting African exports, they strongly urged its timely renewal beyond 2008, as well as the extension of those provisions scheduled to expire in September 2004. In that respect, they mandated the Executive Secretary of ECA to facilitate the expression of their views to the United States Congress.

(d) The Ministers expressed concern that despite this unbalanced state of affairs, industrial countries still insisted that developing countries should substantially reduce tariffs. If Africa obliged, it risked having its "infant industries" wiped out by low-cost producers. In many of the African countries, political support for cutting tariffs could only come after significant improvements in access to OECD markets that might offset the potential economic dislocation as workers were laid off, factories closed down and government revenues diminished. The Ministers reiterated their belief that progress was needed on special and differential treatment. African countries required more flexibility and discretion in the use of public policies to enhance their prospects for industrialization, diversification of production and exports, and overall development. Extension of special and differential

treatment was essential if the African countries were to participate in and accept the additional obligations resulting from multilateral trade negotiations.

(e) The Ministers stressed the urgency of strengthening the trade capacity of the African countries in order for them to benefit fully from the WTO negotiation process, inter alia through building up the analytical skills and negotiation capacity of the negotiators and policy makers. They called for action at the multilateral level to enhance trade opportunities for Africa. There was a great need for the African countries, regional and international organizations and the private sector to find ways of securing appropriate and predictable sources of trade financing. The Ministers noted that lack of access to trade financing and information and communication technology (ICT) was a major constraint for African entrepreneurs, particularly small and medium-scale enterprises. African countries would also need to adopt dynamic trade policies and remove domestic bottlenecks in order to capitalize on trade opportunities. They should adopt the necessary programmes for the development of the ICT sector and organize themselves to avail themselves of the opportunities offered by future international ICT activities, and should seek better trade facilitation processes.

(f) The Ministers were of the view that trade liberalization can be a potential source of fiscal instability, since most of the African countries depend heavily on trade taxes for public revenue. In this context, they recommend that trade liberalization should be coordinated with measures on the revenue and spending side of the budget, including strengthening tax administration and collection, and improving the effectiveness of public spending.

(g) The Ministers expressed their belief that an integrated continental market offered the best hope for Africa to build its manufacturing sector and diversify its economy away from primary products. They noted with disappointment that intra-African trade remained a small part of Africa's total trade, accounting for only 10.5 per cent of total exports and 10.1 per cent of imports. They also stressed the need to further encourage South-South trade. Emphasizing that successful regional integration was central to fostering intra-African trade and unifying regional markets by removing trade barriers within the continent, they expressed their commitment to removing non-tariff barriers, defining clearer rules of origin and establishing common external tariffs. In that context, they implored ECA and the African Union to continue to work towards rationalizing the regional economic communities. They also expressed their belief that economic infrastructure, especially for communication and transport, was essential for promoting intraregional trade.

(h) Recognizing the importance of trade as an engine of growth, and the complex links between trade, economic growth and poverty reduction, they reached consensus that trade issues needed to be mainstreamed into broader national development strategies, in order to achieve pro-poor growth. That required cross-ministry policy coherence, including in the areas of trade, employment, education, agriculture, transport and industry. Ministries of finance, planning and economic development had a central part to play in mainstreaming trade policies.

(i) The Ministers expressed concern at the continued insufficiency of financing for development in Africa, despite the fact that with the current trends the Millennium Development Goals would not be met by most countries in sub-Saharan

Africa. In that regard, they decided to discuss further, at their next Conference of Ministers, the challenges of attaining the Millennium Development Goals.

(j) The Ministers noted that development financing needs of Africa remain constrained by external debt-servicing requirements. More attention must be paid to Africa's calls for substantial debt relief, but not at the expense of additional resources for development. Furthermore, debt relief should not be limited to heavily indebted poor countries and consideration should be given to special circumstances, such as those of countries newly emerging from conflict. In the case of extenuating circumstances, such as the prevalence of the HIV/AIDS pandemic, middle-income countries should also be eligible for concessional financing. The Ministers noted that the World Bank and the International Monetary Fund were working on a new forward-looking debt sustainability framework. They welcomed the move by the two institutions to examine innovative financing mechanisms, such as the International Finance Facility, global taxation and other proposals to help address the financing of the Millennium Development Goals. Further, noting the recent establishment of the Commission for Africa by the Prime Minister of the United Kingdom of Great Britain and Northern Ireland, the Ministers expressed their belief that that Commission could play an important role in supporting the implementation of the New Partnership for Africa's Development (NEPAD) and pushing the African agenda in international forums. They also looked forward to the first ECA/OECD Joint Review of Development Effectiveness next year, which would review the progress in mutual accountability, harmonization of aid modalities and policy coherence.

(k) The Ministers recognized that ECA was playing a key role in promoting the economic and social development of the continent, but was constrained by lack of resources. They, therefore, urged member States to support ECA efforts by generously contributing to the United Nations Trust Fund for Africa. Noting with appreciation that ECA was now a leading voice on Africa's development, they expressed belief that the proposed way forward would enable ECA to further deepen the relevance of its contribution to the development agenda in Africa.